USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 7/24/2007

GAIN Report Number: GR7009

Greece

Tomatoes and Products

Annual

2007

Approved by:
Geoff Wiggin
U.S. Embassy Rome

Prepared by:
Stamatis Sekliziotis

Report Highlights: Greek industrial tomato production is shrinking as a result of increased competition from imports, of some extreme weather, and changes in coming changes in the European Unions CAP. Greek tomato exports are holding up, particularly within the EU.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rome [IT1]
[GR]

Table of Contents

Executive Summary 3
PS&D Table, Canned Tomatoes........ 5
Export Trade Matrix, Canned Tomatoes 6
Import Trade Matrix, Canned Tomatoes........ 7
PS&D Table, Tomato Paste........ 8
Export Trade Matrix, Tomato Paste 9
Import Trade Matrix, Tomato Paste........ 10

Executive Summary

Production of Industrial Tomatoes in 2007 is expected to be between 850,000 – 870,000 MT, about 5 percent below last year and much lower than the EU quota for Greece, which is set at 1,211,241 MT. Tomato production for fresh consumption this year will be in the neighborhood of 700,000 – 750,000 MT, making total Greek tomato production in 2007 1.5 million metric tons. Average annual production in the late 90s was over 2.0 million tons. The reduction is mostly due to fewer industrial tomato plantings as a result of stiff competition from imports. Nevertheless, Greek processed tomato products (both paste and whole tomatoes) are of high reliable quality and this still keeps them in demand in traditional foreign markets.

Spring weather conditions have not been favorable, with heavy rains in late May and early June and then a heat wave that has adversely affected most Greek field crops, both irrigated and not. Reportedly, tomatoes have survived these extremes, but have required intensive irrigation. In some regions where industrial tomatoes are traditionally grown (the Prefectures of Ilia, Fthiotis and Serres) acreage has been significantly reduced. A few areas, like the prefecture of Larissa, have seen an increase in planted acreage. In Larissa irrigated sugar beets were the standard production choice for many farmers, but after the new CAP for sugar, farmers changed to other irrigated crops including industrial tomatoes, corn and forage crops. The total acreage devoted to industrial tomatoes this year will be almost 82,000 hectares (similar acreage to 2006) but the distribution of the crop is different as noted here.

Greek tomato processing facilities are also closing down. In The Peloponnese, only three out of seven processing plants are in operation. There are some 1,000 industrial tomato growers in the region, but only 500 are producing in 2007. In central Greece (Prefectures of Viotia, Fthiotis and Magnisia in Thessaly) two key tomato processing companies (Nomikos and Kopais) merged, while the large processing plant of ADELCAN S.A. in Magnisia was sold to Israeli investors and is expected to operate this year again after having closed down five years ago (they process a range of vegetables). These changes are directly connected to changes in the CAP for the horticultural sector and the internationalization of tomato products, particularly tomato paste imports into Europe from China.

Greece has not lost its traditional foreign buyers of tomato paste and canned tomatoes. In CY 2006 Greece exported over 135,000 MT of tomato paste valued at US $ 95.7 million compared to 109 tons a year earlier. The EU absorbs 70 percent of the Greek tomato paste exports, with the Netherlands and the UK buying the bulk. Canned tomatoes exported in CY 2006 were almost 29,000 MT (similar to CY 2005) of which almost 15,000 MT were shipped to the UK. The total value of canned tomatoes exported in CY 2006 is estimated at US $14.2 million. Imports into Greece of both tomato paste and canned tomatoes show a gradual increase from year to year, but the amounts are not yet considered significant and almost all still originate in the EU. This could easily change with China's exports growing.

The CAP reform of the horticultural sector is expected to clarify during the Portuguese presidency in the second half of 2007. The GOG Ministry of Agriculture and representatives from the farming community and the tomato processing sector, must decide how they will implement the new CAP in January 1st, 2008. The time remaining for these decisions is limited, and yet, Greece has not yet identified what policies will be finally implemented in the industrial tomato sector. All the involved entities must agree on such policy by November 1st, 2007. Important decisions include setting the reference period by which tomato farmers will establish their rights for the single payment, and the percentage of decoupled and coupled payments. Farmers' representatives have proposed a 3-year reference period within the period of 2001 to 2007. On decoupling, there will be considerable discussion and debate over how to use the 4 years transitional period available to member states to keep certain production coupled, provided it does not exceed 50 percent.

In view of these decisions that need making by November 2007, the Greek industrial tomato sector seems to be separated into three camps:

- The small producers who want a full decoupling and a single payment.
- The larger farmers who have invested heavily in the industrial tomato production tending to support high levels of coupled payments,
- The processors want a system that will result in adequate quality and quantity of production to keep their plants operational.

Sources in the processing industry believe that under a full decoupling system farmers will not have any incentive to grow tomatoes and the processors may have to close down their plants. Practically, farmers receive about € 42-45/mt from the processors plus a subsidy of € 34.5, for a total of about € 80 Euros per ton. Production costs are calculated to be somewhere between € 50-70/ton according to location. Under full decoupling, farmers will probably want the processors to cover their costs to keep them producing industrial tomatoes. It is likely that only farmers who have more acreage, are systematic and mechanized and presumably have lower costs will stick with growing industrial tomatoes under full decoupling.

PS&D Table, Canned Tomatoes

PSD Table

Country Greece
Commodity Tomatoes, Canned

(MT)(MT, Net Weight)

	2005 Revised			2006 Estimate			2007 Forecast			
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007	M
Deliv. To Processors	40000	40000	40000	60000	60000	55000	0	0	50000	(M
Beginning Stocks	8747	8747	8747	2347	2347	2347	3347	3347	1347	(M
Production	33600	33600	33600	50000	50000	46000	0	0	43000	(M
Imports	16000	16000	16000	13000	13000	13000	0	0	14000	(M
Total Supply	58347	58347	58347	65347	65347	61347	3347	3347	58347	(M
Exports	23000	23000	23000	27500	27500	27000	0	0	24500	(M
Domestic Consumption	33000	33000	33000	34500	34500	33000	0	0	32000	(M
Ending Stocks	2347	2347	2347	3347	3347	1347	0	0	1847	(M
Total Distribution	58347	58347	58347	65347	65347	61347	0	0	58347	(M
								TS=TD		
								-3347		

Export Trade Matrix, Canned Tomatoes

Export Trade Matrix

Country Greece

Commodit Tomatoes, Canned

Time Period		Units:	MT
Exports for:	2005		2006
U.S.	2	U.S.	
Others		Others	
U.K.	16463	U.K.	14521
Netherlands	4245	Netherlands	4222
Sweden	1072	Cyprus	2380
Germany	1112	Germany	1370
Ireland	1109	Sweden	1277
Belg. & Lux.	1543	Ireland	1412
Cyprus	845	Other EU	2163
Other EU	1725	>EU Total	27345
>EU Total	28114	Russian Feder.	210
Japan	367		
Total for Others	28481		27555
Others not Liste	727		1303
Grand Total	29210		28858

Import Trade Matrix, Canned Tomatoes

Import Trade Matrix

Country Greece

Commodit Tomatoes, Canned

Time Period		Units:	MT
Imports for:	2005		**2006**
U.S.		U.S.	
Others		Others	
Italy	6458	Italy	5189
Germany	2746	Germany	2418
Spain	5	Cyprus	650
France	6	Denmark	12
Belgium	5	Sweden	4
>EU Total	9220	Netherlands	1
Turkey	59	>EU Total	8274
Bulgaria	75	Turkey	113
		Moldova	3
		Bulgaria	4
Total for Others	9354		8394
Others not Listed			
Grand Total	9354		8394

PS&D Table, Tomato Paste

PSD Table

Country Greece

Commodity Tomato Paste,28-30% TSS Basis

(MT)(MT, Net Weight)

	2005 Revised			2006 Estimate			2007 Forecast			UO
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007	MM/Y
Deliv. To Processors	830000	830000	830000	940000	940000	900000	0	0	800000	(MT)
Beginning Stocks	83700	83700	83700	62700	62700	62700	54700	54700	54700	(MT, N
Production	138000	138000	138000	156000	156000	150000	0	0	134000	(MT, N
Imports	8000	8000	8000	9000	9000	9000	0	0	11000	(MT, N
Total Supply	229700	229700	229700	227700	227700	221700	54700	54700	199700	(MT, N
Exports	142000	142000	142000	145000	145000	140000	0	0	135000	(MT, N
Domestic Consumption	25000	25000	25000	28000	28000	27000	0	0	28000	(MT, N
Ending Stocks	62700	62700	62700	54700	54700	54700	0	0	36700	(MT, N
Total Distribution	229700	229700	229700	227700	227700	221700	0	0	199700	(MT, N
								TS=TD		
								-54700		

Export Trade Matrix, Tomato Paste

Export Trade Matrix

Country Greece

Commodit Tomato Paste,28-30% TSS Basis

Time Period		Units:	MT
Exports for:	2005		2006
U.S.		U.S.	413
Others		Others	
Netherlands	19725	Netherlands	36358
U.K.	29020	U.K.	30806
Italy	14046	Italy	13485
Germany	10326	Germany	9563
Belg. & Lux.	2455	Other EU	16831
Poland	3460	>EU Total	107043
Other EU	8950	Libyan Arab	10463
>EU Total	87982	Russian Fed.	4941
Libya	7391	Bulgaria	4252
Bulgaria	5604	Sudan	2033
Total for Others	100977		128732
Others not Liste	7627		5986
Grand Total	108604		135131

Import Trade Matrix, Tomato Paste

Import Trade Matrix

Country Greece

Commodit Tomato Paste,28-30% TSS Basis

Time Period		Units:	MT
Imports for:	2005		2006
U.S.		U.S.	
Others		Others	
Italy	3477	Italy	6556
Germany	5094	Germany	4370
Poland	89	Poland	90
Cyprus	26	Finland	56
Spain	3	Cyprus	55
Malta	1	Hungary	21
>EU Total	8690	>EU Total	11148
Turkey	6	Turkey	2
		Bulgaria	2
Total for Others	8696		11152
Others not Liste	8696		
Grand Total	17392		11152